



U.S. DEPARTMENT OF
ENERGY

Energy Efficiency &
Renewable Energy



Weatherization Assistance Program **New Requirements and Policies For PY17**



February 2017

GUIDANCE REVISIONS FOR 2017



Section 1.0 – Purpose (Page 1-2)

Grantees should develop their State Plans using the same funding level as the Department of Energy (DOE or Department) **2016 Appropriated Funds outlined in WPN 16-2a.**

All Grantees are advised to include language in their draft plans and in public hearing notices that clearly explain that final allocations will include adjustments from the planning numbers reflected in WPN 16-2a and the draft state plan necessary to align with final DOE appropriations for WAP.

Once a FY17 budget is passed and signed by the President, DOE will issue a Program Notice, Program Year 2017 Grantee Allocations. At that time, all Grantees that have approved plans for Program Year (PY) 2017 will then begin a budget modification process.

Section 2.3 - Health & Safety (Page 3)

Required implementation of ASHRAE 62.2 began in PY 2012 and updates are published every three years in the spring.

Grantees should include the necessary training(s) on the updates within their Health & Safety Plan, and discuss how the State will fully implement the requirements of ASHRAE 62.2 in PY 2017.

Section 2.2 Participation in Additional Evaluations/Studies



Page 2-3)

- DOE encourages states to conduct regular program evaluations. Many utility programs are required to conduct annual evaluations for submittal to regulatory bodies. It may be possible to coordinate these efforts.
- DOE will not be repeating its evaluation any time soon, so state evaluations will be critical to analyzing program effectiveness.
- If Grantees or Subgrantees are approached to participate in a study, keep in mind that the requirements of WPN 10-08 – Weatherization Guidance on Maintaining the Privacy of Recipients of Services be followed.

(Page 3)

Oak Ridge National Laboratory (ORNL) recently completed the Multifamily Tool for Energy Audits (MulTEA), which produces an investment grade energy audit and an improved energy simulation and weatherization measure selection tool for multifamily buildings. The tool calibrates building energy use using historical weather data that prevailed during that utility billing period. This helps auditors make better decisions when determining which measures to install.

To gain access to MulTEA, please contact Mark Ternes at ORNL via email ternesmp@ornl.gov.

Section 2.5 Quality Work Plan Implementation (Page 3 - 4)

Independent third-party inspections must be conducted by certified Quality Control Inspectors. **As of September 30, 2016, more than 1,600 Quality Control Inspectors (QCI) have received certification.**

To maintain certification, re-testing on a 3-year cycle is required. The written exam can be skipped and only the field test re-taken if the holder of the certificate has acquired sufficient Continuing Education Units (CEUs) according to BPI's policy. Current policy requires at least 24 qualifying CEUs to maintain certification without re-taking the written exam. View [BPI's QCI Certification Scheme Handbook](#) for more details about maintaining certification.

DOE remains committed to ensuring that independent, third-party inspections are conducted and results are shared with relevant parties. We will continue to work with States and local providers to achieve this goal. Under the Quality Work Plan, Grantees may request approvals of alternatives to 100% QCI, but those proposals must ensure quality outcomes are achieved.

Section 2.6 - NEPA Review (Page 4-5)

- Any activities/projects that are not identified within Section 2.6 (see next slide) are subject to additional NEPA review and approval by DOE, when the WAP formula or Petroleum Violation (PVE) dollars will be used to fund the project.
- For activities/projects requiring additional NEPA review, States must complete the environmental questionnaire -- <https://www.eere-pmc.energy.gov/NEPA.aspx> -- and receive notification from DOE that the NEPA review has been completed and that the Contracting Officer has approved the activities prior to initiating the project or activities.
- Due to recent security updates, all NEPA users must create an Applicant-Recipient sign-in account for the above web site. **It is important that the new account be created using the same email address for all EQ-1 NEPA Environmental submissions submitted for review.** If another email address is used, previous submissions will not be accessible.

Pre-Approved NEPA Measures/Materials (Page 4-5)

- Installation of many types of insulation; Air sealing (caulk, door sweeps, weather-stripping, etc.)
- Heating and cooling system safety checks (clean & tunes)
- Efficiency Modifications (burner retrofits, replacement of controls – thermostats, valves and adjustments, and replacement of heating and cooling systems)
- Energy Efficiency retrofits (replacement of heating and cooling systems including domestic hot water heaters)
- Duct modifications and sealing (duct repairs and additions)
- Multi-family building controls & efficiency improvement (Ranging from time clocks to heat recovery)
- Clean, repair &/or replace electric baseload appliances/fixtures (such as refrigerators, water heaters, and lighting)
- Conversion to Solar thermal installations, and repairs or replacements
- Energy-related health and safety measures including:
 - Carbon monoxide and smoke alarms
 - Lead-safe (DOE WAP guidance) weatherization procedures and EPA Certified
 - Blower door testing – ventilation and exhaust
 - Combustion appliance safety inspections
 - Incidental and necessary energy-related repairs and replacements
- Incidental & necessary energy-related repairs/replacements
 - Repair and replacement of damaged windows and doors
 - Minor electrical and plumbing repairs

Section 3.1.1: Adjusted Average Cost Per Dwelling Unit

(Pages 6)

- 10 CFR 440.18 (a) and (c)
- PY2017 adjusted average cost per dwelling unit: **\$7,212**
 - Up from PY2016 average of \$7,105.
 - Average includes individual units computed in a multifamily building of 5 units or greater.
- 10 CFR Part 440.18(b) and (c)
- PY2017 adjusted cost for Renewable Energy Systems: **\$3,598**
 - Measure must have a SIR greater than 1.
 - This total increased from PY2016 levels (\$3,545).

Section 4.0 – Increasing Public Involvement in Developing the State Plan (Page 8-9)

- DOE is emphasizing the involvement of subgrantees and other stakeholders, especially utilities, in the development of the state plan.
- DOE recommends at least two meetings:
 - At the beginning of the planning process
 - The public hearing

PY 2017 is a new grant cycle, therefore, no carryover funding can be included from any previous project period.

DOE will not approve no-cost extensions of PY 2016 state plans.



APPLICATION INSTRUCTIONS REVISIONS FOR 2017

Leverage funds can come from:

- **Weatherization Funding appropriated by the State.**
- Low Income Home Energy Assistance Program (LIHEAP)
- Leveraged Resources
- Petroleum Violation Escrow (PVE) Funds
- Program Income



III.2 Budget Categories – Section B (Page 12-13)

Mandatory Categories:

- Grantee Administration
- Subgrantee Administration
- Grantee Training and Technical Assistance (T&TA)
- Subgrantee T&TA
- Program Operations
- Vehicles and Equipment
- Liability Insurance
- Leveraging
- Health & Safety

There is no requirement to put funding into every category.

Optional Budget Categories:

- **Energy Crisis**
- **Special Projects I-V**
- **Financial Audit**

Object Class Budget Categories:

- Personnel
- Fringe Benefits
- Travel
- Equipment
- Supplies
- Contractual
- **Other**
- **Indirect Costs**

Administrative Categories

Indirect costs can be included in Grantee Administration and will be considered an allowable cost provided there is a federally approved indirect rate(s) or cost allocation plan. **The indirect cost rate used may be approved by a federal department or agency other than DOE. See 2 CFR 200.414 Indirect (F&A) costs for more information.** Program budget category limits still apply, regardless of the approved indirect rate. Grantees may charge less than an approved indirect cost rate.

Program Operations:

Because T&TA funds are limited, Grantees and Subgrantees may charge the cost of training to the T&TA category and the employee's time for participation in the event under the labor category.

Costs associated with training contractors that work within the Weatherization Program may also be charged to T&TA.

Health & Safety

The regulations do not mandate a separate health and safety budget cost category, but if the Grantee chooses to do so expenditures are health and safety are excluded from the average per-unit cost calculation. This separate category also allows these costs to be isolated from energy efficiency costs in program evaluations. If Grantees choose not to have a separate health and safety budget category, health and safety costs must be included in the calculation of the average cost per unit and cost-justified through the energy audit. **DOE recommends that Grantees establish a separate health and safety budget cost category.**

Leveraging

Leveraging is an Option Category. However, DOE encourages Grantees to consult with their Subgrantee networks and other stakeholders to develop and commit funding to leveraging programs.

Leveraged funds can be used to develop additional funding that is either included in the WAP budget and subject to WAP rules, regulations and guidelines, or may manage the programs separately from WAP. The use of the Standard Work Specifications is strongly encouraged when funds are not included in the WAP budget because they are industry standards.

V.1 Subgrantees (Page 24)

States with leveraged funds or that have a statewide Average Cost Per Unit (ACPU) will produce more units than the minimum production requirement as determined by dividing the grant amount by the statutory/regulatory ACPU.

The level of production determines the number of monitoring staff required and will likely affect the level of Health & Safety costs. **If a Grantee's ACPU estimate for PY 2017 is significantly different from the prior year's ACPU, and there has been no significant increase or decrease in leveraged funds, you can expect questions regarding production estimates as the State Plan is reviewed.**

IV.2 Selection of Subgrantees (Page 24-25)

42 USC § 6864(b)(4) establishes the criteria for the selection of Subgrantees, requiring as follows:

(4) selected on the basis of public comment received during a public hearing conducted pursuant to section 415(b)(1) [42 USC § 6865(b)(1)], and other appropriate findings, community action agencies or other public or nonprofit entities to undertake the weatherization activities authorized by this title: Provided, Such selection shall be based on the agency's experience and performance in weatherization or housing renovation activities, experience in assisting low-income persons in the area to be served, and the capacity to undertake a timely and effective weatherization program: Provided further, That in making such selection preference shall be given to any community action agency or other public or nonprofit entity which has, or is currently administering, an effective program under this title or under title II of the Economic Opportunity Act of 1964.

The program regulations mirror the statutory provision.

IV.2 Selection of Subgrantees, cont.

Should a Grantee choose to hold a competitive process to determine Subgrantees, if an existing Subgrantee applies, meets the requirements of the statute and regulations, and is providing effective service, it must be included as a Subgrantee in the State Plan.

Should the Grantee determine it will conduct a statewide competitive process in PY18, it must include information on the development of the RFP process in its PY17 Application. See § V.8. States may replace a Subgrantee that has violated its grant agreement as appropriate.

Grantees are reminded that Subgrantees and any subcontracting agencies must check the excluded parties listing for their subawards in the System for Awards Management (SAM). Please refer to the ALRD, Registration/Submission Requirements, Item 2 for additional information.



IV.3 Energy Savings (Page 26)

Applicants shall provide an estimate of the amount of energy to be conserved, pursuant to 10 CFR 440.14(c)(4). Grantees must indicate the methodology used to determine the energy savings. **No explanation is necessary when using the DOE Algorithm and therefore, nothing should be entered in the narrative box (leave the narrative box blank). The only time information should be in the narrative box is when the Grantee is explaining a method other than the DOE energy saving algorithm.**



IV.5 Policy Advisory Council

DOE views the involvement of a Policy Advisory Council or the equivalent as critical in the development of the state plan and operation of the program. DOE urges Grantees to involve the Policy Advisory Council early in the plan development process, particularly when the Grantee is contemplating significant program changes. The relationship between the Grantee, Subgrantees and other key stakeholders such as utilities, agency associations, and departments or agencies running programs that complement or coordinate with WAP is critical. The PAC is a means to ensure cooperation and maximize the impact of WAP.



IV.6 Hearings and Transcripts (Page 30)

As of PY 2017, DOE **requires an official transcript, notes, and/or recording of the public hearing.**

- DOE still considers an official hearing transcript as a best practice, particularly if the hearing is anticipated to propose significant program changes or be contentious.
- If an official transcript is not taken, Grantees must submit the notes or minutes taken by Grantee staff person and a recording.
- The Grantee shall attach **an official transcript** from the hearing **and the recording** to the SF-424 Application in PAGE.

V.3 Priorities (Page 35)

Grantees are also expected to describe how applicants are drawn from a waiting list **if they choose. Remember that all applicants are required to re-verify for the program annually and thus all applications are no older than one year.** The first consideration must be by priority category. Grantees then may choose to use oldest application certification date for positioning applicants within the same allowable priority category. The timing of service to an applicant that is in a priority category may be set so services can be coordinated with another funding source.



V.5 Type of Weatherization Work to be Done (Page 36)

V.5.1 Technical Guides and Materials

All technical **guides (for single-family, mobile homes, and multifamily buildings, as applicable)** and materials **must** meet the specifications, objectives and desired outcomes outlined in the Standard Work Specifications for Home Energy Upgrades (SWS) (refer to WPN 15-4, Section 1, for additional details). **These documents shall include field guides, and may include program updates, procedures manuals, standards documents, etc. Grantees will provide an electronic link to, or an electronic copy of, their current, DOE approved field guides and/or standards for single-family, mobile homes, and multifamily buildings, as applicable. Grantees must provide DOE with documentation confirming that these materials have been received by all Subgrantees and direct-hire contractors. Grantees are encouraged to provide an electronic link to, or electronic copies of, any other relevant program guidance materials that are distributed.**



V.5 Type of Weatherization Work to be Done (Page 37)

Grantees must ensure that all Weatherization activities not included in the list of Categorical Exclusion activities in Section 2.6 of WPN 17-1 require an [Environmental Questionnaire](#) (EQ)-1 submission for review.



V.8.1 Overview and Organization

If an Applicant intends to conduct a competitive process to select Subgrantees in the following program year, it must describe: the activities it intends to undertake during this program year to develop the competitive solicitation; the criteria that will be used to determine whether or not a current Subgrantee is providing effective service; and, a timeline for the competitive selection process. The Applicant shall provide a copy of any Request for Proposal or similar document to DOE for review prior to release.



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